

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2002

	October-02				September-02				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation Actual	Policy	Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Fiscal YTD Net	FY02 Net	Ended 6/30/2002 Net	Ended 6/30/2002 Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
AllianceBernstein	95,155	2.0%	2.3%	7.96%	88,119	1.9%	2.3%	-13.54%	-6.66%	-28.65%	-16.80%	N/A
Russell 1000 Growth				9.17%				-15.05%	-7.26%	-26.49%	-16.15%	N/A
<i>Structured Value</i>												
LSV	98,206	2.1%	2.3%	2.74%	95,492	2.1%	2.3%	-18.60%	-16.37%	2.41%	5.40%	N/A
Russell 1000 Value				7.41%				-18.77%	-12.75%	-8.96%	-2.92%	N/A
<i>S&P 500 Index</i>												
State Street	475,410	10.2%	10.5%	8.80%	436,958	9.6%	10.5%	-17.26%	-9.98%	-18.03%	-9.27%	3.58%
S&P 500				8.80%				-17.28%	-10.00%	-17.99%	-9.18%	3.67%
TOTAL LARGE CAP DOMESTIC EQUITY	668,772	14.4%	15.0%	7.74%	620,568	13.6%	15.0%	-16.96%	-10.53%	-16.89%	-8.30%	3.74%
S&P 500				8.80%				-17.28%	-10.00%	-17.99%	-9.18%	3.67%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	221,538	4.8%	5.0%	2.46%	216,166	4.7%	5.0%	-19.31%	-17.33%	-11.77%	N/A	N/A
Russell 2000 + 200bp				3.38%				-20.97%	-18.30%	-7.96%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	221,538	4.8%	5.0%	2.46%	216,166	4.7%	5.0%	-19.31%	-17.33%	-11.69%	2.22%	4.32%
Russell 2000				3.21%				-21.40%	-18.87%	-8.59%	1.67%	4.44%
CONVERTIBLES												
TCW	460,575	9.9%	10.0%	3.51%	448,073	9.8%	10.0%	-10.05%	-6.89%	-20.37%	-2.22%	N/A
First Boston Convertible Index				2.85%				-8.47%	-5.86%	-12.44%	0.11%	N/A
INTERNATIONAL EQUITY												
<i>Large Cap - Active</i>												
Capital Guardian	444,162	9.6%	10.0%	8.75%	408,577	9.0%	10.0%	-20.58%	-13.63%	-12.10%	-2.96%	2.87%
MSCI EAFE - 50% Hedged				5.40%				-20.02%	-15.70%	-14.62%	-7.32%	-1.89%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	1,219,689	26.3%	25.0%	-0.89%	1,229,080	26.9%	25.0%	3.51%	2.59%	8.36%	8.53%	7.80%
Lehman Aggregate				-0.46%				4.58%	4.10%	8.62%	8.10%	7.57%
<i>Index</i>												
Bank of ND	681,875	14.7%	15.0%	-0.96%	688,481	15.1%	15.0%	5.96%	4.93%	8.38%	7.79%	7.42%
Bank of ND CD'S	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	5.04%	5.55%	5.48%
Total Index	681,875	14.7%	15.0%	-0.96%	688,481	15.1%	15.0%	5.96%	4.93%	8.14%	7.66%	7.30%
Lehman Gov/Corp				-0.96%				5.70%	4.68%	8.24%	7.86%	7.47%
<i>BBB Average Quality</i>												
Strong	482,869	10.4%	10.0%	-0.62%	487,305	10.7%	10.0%	3.08%	2.44%	N/A	N/A	N/A
Lehman US Credit BAA				-1.18%				2.70%	1.49%	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	2,384,433	51.3%	50.0%	-0.85%	2,404,866	52.7%	50.0%	4.11%	2.67%	7.55%	7.88%	7.42%
Lehman Gov/Corp				-0.96%				5.70%	4.68%	8.24%	7.86%	7.47%
CASH EQUIVALENTS												
Bank of ND	465,719	10.0%	10.0%	0.15%	465,531	10.2%	10.0%	0.48%	0.63%	2.41%	4.76%	4.99%
90 Day T-Bill				0.15%				0.45%	0.60%	2.63%	4.68%	4.84%
TOTAL BONDING FUND	4,645,200	100.00%	100.00%	1.86%	4,563,781	100.00%	100.00%	-4.50%	-2.72%	-2.86%	2.87%	6.19%
POLICY TARGET BENCHMARK				1.84%				-3.96%	-2.19%	-1.19%	2.83%	5.77%

NOTE: Monthly returns and market values are preliminary and subject to change.